MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2016/2017

DBL5028 – COMPANY LAW

(For Diploma Students Only)

26 MAY 2017
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of **2** pages with **4** Questions only.
2. Answer all questions.
3. You are required to cite sections and case laws where relevant.
4. Write all your answers in the Answer Booklet provided.

QUESTION 1

a) Explain the appointment of auditor in a public company.

(15 marks)

b) Mulan works as an administrative officer at Plastic Sdn. Bhd. Due to some dissatisfaction with the previous auditor, Plastic Sdn. Bhd. wanted to appoint a new auditor and instructed its administrative officer to suggest one auditor for the company. Due to time constraint, Plastic Sdn. Bhd. agreed to accept Mulan's suggestion of a new auditor named Ken. Ken is an approved auditor and owned an audit firm in Melaka. Later, Plastic Sdn. Bhd. gets to know that the new auditor is actually Mulan's husband.

Advise Plastic Sdn. Bhd., whether Ken is qualified to become the auditor of Plastic Sdn Bhd.

(10 marks)

[Total : 25 Marks]

QUESTION 2

Companies Commission of Malaysia is a statutory body that came into operation on 16 April 2002 as a leading authority for the improvement of corporate governance in Malaysia.

a) Explain all **(8) EIGHT** functions of Companies Commission of Malaysia (CCM).

(17 marks)

b) State all **(8) EIGHT** administrative actions as an enforcement tool available for the Securities Commission.

(8 marks)

[Total : 25 Marks]

QUESTION 3

According to the new Companies Act 2016, a company other than a company limited by guarantee, may or may not have a constitution.

a) Explain all **(3) THREE** types of companies according to liability of its members.

(12 marks)

b) Briefly explain the characteristics of a public company.

(7 marks)

Continued...

c) Explain the definition of a holding company.

(6 marks)

[Total : 25 Marks]

QUESTION 4

a) Briefly explain the effects of incorporation according to the new Companies Act 2016.

(10 marks)

b) Elsa is a successful online business woman focusing on selling leather bags. Within 3 months, her business became well bloomed. She decided to form a company named Frozen Sdn. Bhd. together with her siblings. She then sold her online business to Frozen Sdn. Bhd. and became one of the shareholders and directors in that company. After several years of business, Frozen Sdn Bhd having some financial difficulties and was unable to make any profits for a year. Despite of that, Elsa as one of the directors has instructed the company to make a distribution (previously known as "dividend") to the shareholders without authorisation and knowledge of the other directors.

As a legal advisor of the company, advise whether Elsa will be personally liable for the action she committed relating to distribution.

(15 marks)

[Total : 25 Marks]

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